



# BCP TARGET RETURN BOND

**A CAPITAL SECURE, ACTIVELY MANAGED,  
MULTI-STRATEGY BOND THAT AIMS TO DELIVER  
POSITIVE LONG-TERM CAPITAL GROWTH**

- Underlying Fund is the **Aviva Investors Multi-Strategy (AIMS)** Target Return Fund
- AIMS Fund is managed by highly experienced team of professionals
- **180%** or **100%** Participation in the Fund Performance
- **92%** or **97%** Capital Security provided at maturity by Bank of Ireland
- Investment Term 5 years
- **Closing Date 15th March 2016**
- Minimum Investment €20,000



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# BCP TARGET RETURN BOND

The BCP Target Return Bond is a unique opportunity offering investors access to the performance of a well-known, market-leading fund that is managed by one of the most experienced investment teams in the industry. The Bond will track the Aviva Investors Multi-Strategy (AIMS) Target Return Fund which is focused on delivering steady long-term capital growth via a globally diversified target-return strategy.

## WHAT IS MULTI-STRATEGY TARGET RETURN?

The AIMS Target Return Fund draws on the investment team's global investment expertise and has the following core objectives:

- A targeted average annual return of 5% above the European Central Bank Base Rate over any rolling three year period in all market conditions
- A focus on steady long-term capital growth with the aim of being less than half as volatile as global equities
- A global multi-strategy fund that is free from benchmark constraints

Multi-Strategy investing is different to traditional investing in many ways. While some funds deliver returns by investing in mixtures of asset classes, this fund seeks to deliver returns by identifying investment ideas and opportunities across and within asset classes. This provides the fund with many ways to reflect the team's ideas more precisely than is possible in traditional funds.

To meet the fund's objectives, the fund managers pick diverse strategies that can take views on asset classes, sectors, currencies, interest rates, inflation and volatility. The managers pick a range of strategies that are expected to work well together whether markets are rising or falling so the fund can meet its aims of delivering performance, preserving capital and managing volatility.

## INVESTMENT PHILOSOPHY & PROCESS

The AIMS team is led by Euan Munro (Chief Executive Officer, Aviva Investors) and the team receives input, investment ideas and research from across all the single asset class teams of investment professionals within Aviva worldwide, based across the global investment markets.

House view	Idea generation	Idea evaluation	Portfolio construction	Fund management
Provides macro framework for wider discussion of potential investments	Invite participation from all investment teams worldwide	Peer group review of ideas to ensure only the strongest are considered for inclusion	<ul style="list-style-type: none"> <li>– Position sizing</li> <li>– Pre-trade risk</li> <li>– Stress testing</li> <li>– Scenario analysis</li> </ul>	<ul style="list-style-type: none"> <li>– Manage cash flows</li> <li>– Portfolio rebalancing</li> <li>– Manage liquidity</li> </ul>



Creating an inventory of approved strategies

Constructing a robust diversified portfolio

# BCP TARGET RETURN BOND



## IDEA GENERATION & PORTFOLIO CONSTRUCTION



The focus is on harvesting the risk premia from traditional asset markets which the team believe offer attractive long-term returns.

These strategies aim to profit from market mispricing that may exist due to market segmentation, central bank intervention or regulatory changes.

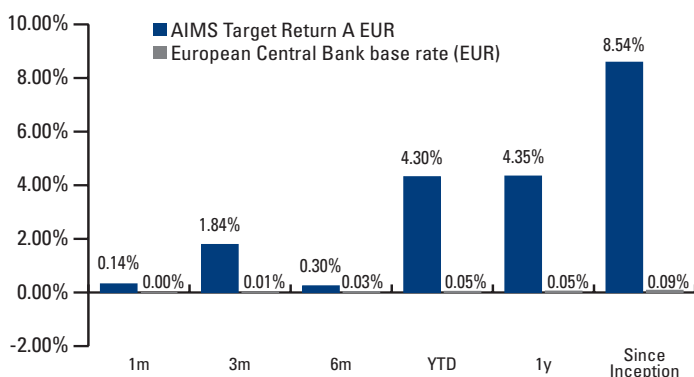
In times of market stress, these strategies can significantly add to the portfolio's returns, while retaining a neutral to positive return in the team's central scenario over a 3-year horizon.

## WHY AVIVA INVESTORS FOR MULTI-STRATEGY?

Aviva Investors is part of one of the largest financial institutions in the UK - the investment arm of Aviva plc. Aviva can trace its origins in the London insurance market back more than 300 years. When focusing on specific investment outcomes for investors it's essential to have the right resources and Aviva currently manage over €334bn across a range of asset classes. Aviva's multi-asset expertise dates back to the 1980's and the firm is currently responsible for over €84bn of multi-asset funds. Aviva Investors employ approximately 335 investment professional across 16 global financial centres.

## FUND ANALYSIS

### Fund performance to 31 October 2015



### Fund volatility to 31 October 2015

#### Realised annualised daily volatility since inception

AIMS Target Return A EUR	4.11%
MSCI All Country World equity index (Local currency)	11.81%

**WARNING: Past performance is not a reliable guide to future performance.**

### Quarterly fund performance to 31 October 2015

	Q3 '14	Q4 '14	Q1 '15	Q2 '15	Q3 '15	QTD	Since inception
AIMS Target Return A EUR	1.92%	2.11%	4.77%	-1.84%	0.16%	1.24%	8.54%
European Central Bank base rate (EUR)	0.03%	0.01%	0.01%	0.01%	0.01%	0.01%	0.09%

Source: Bloomberg and Aviva Investors as at 31 October 2015. Performance is shown net of all fees, in EUR. Inception date 1 July 2014



# BCP TARGET RETURN BOND

REVIEW YOUR PORTFOLIO ONLINE  
[crm.bcp.ie](http://crm.bcp.ie)



INVESTORS HAVE TWO BOND VERSIONS TO CHOOSE FROM WITHIN THIS STRUCTURE. THESE HAVE BEEN DESIGNED TO CATER FOR VARYING RISK AND RETURN REQUIREMENTS OF INDIVIDUAL INVESTORS:

## BCP TARGET RETURN BOND – GROWTH PLUS VERSION

At the end of the 5 year Term, the Growth Plus Version will pay 92% of the capital invested plus 180% of the Performance achieved by the AIMS Target Return Fund over the investment term. There is no limit to the maximum return that can be earned from this Bond. If the Performance of the AIMS Target Return Fund is 40% over the term of the Bond, the return to investors will be 92% of the capital invested plus 72% ( $40\% \times 180\%$ ) giving a Gross Return of 64%. As the 64% return in this case is above the 40% Performance Fee hurdle rate, a 2% Performance Fee will be deducted from the Gross Return and paid to BCP with a return of 62% paid to investors. This is equivalent to 12.4% per annum (CAR 10.1%). Even if the Performance of the Fund is negative over the term of the Bond, 92% of the capital invested will be returned.

## BCP TARGET RETURN BOND – GROWTH VERSION

At the end of the 5 year Term, the Growth Version will pay 97% of the capital invested plus 100% of the Performance achieved by the AIMS Target Return Fund over the investment term. There is no limit to the maximum return that can be earned from this Bond. If the Performance of the AIMS Target Return Fund is 40% over the term of the Bond, the return to investors will be 97% of the capital invested plus 40% ( $40\% \times 100\%$ ) giving a Gross Return of 37%. As the 37% return in this case is above the 18% Performance Fee hurdle rate, a 1% Performance Fee will be deducted from the Gross Return and paid to BCP with a return of 36% paid to investors. This is equivalent to 7.2% per annum (CAR 6.3%). Even if the Performance of the Fund is negative over the term of the Bond, 97% of the capital invested will be returned.

## PERFORMANCE FEES

If at the end of the 5 year term the Gross Return of the Bond is between 18% and 39.99%, then a Performance Fee of 1% will be deducted from the Gross Return and paid to BCP. If at the end of the Term the Gross Return of the Bond is 40% or greater, then a Performance Fee of 2% will be paid to BCP in respect of that version. The Performance Fee is paid in addition to the initial fee paid to BCP, as described in the Key Features on page 5.

**WARNING:** These figures are estimates only. They are not a reliable guide to the future performance of this investment.

**WARNING:** The figures above are provided only to illustrate how the Bond works; they should not be taken as an indication of potential returns. The return to you will depend on the version of the Bond you invest in and the actual Performance of the Fund which cannot be predicted in advance.

**WARNING:** The value of your investment may go down as well as up, you may get back less than you invest.

**WARNING:** If you invest in this product, at maturity you could lose 3% (Growth Version) or 8% (Growth Plus Version) of the money you invest.

**WARNING:** If you invest in this product, you will not have any access to your money for 5 years.



# BCP TARGET RETURN BOND

## KEY FEATURES



### HOW DOES THE BCP TARGET RETURN BOND WORK?

The product producer of the BCP Target Return Bond is BCP Asset Management Limited, 71 Upper Leeson Street, Dublin 4.

Your entire investment is allocated to a 5 year Target Return Bond. At the end of the 5 year Term, the percentage performance (gain or loss) of the Fund is calculated. This performance will then be multiplied by 180% (Growth Plus Version) or 100% (Growth Version), to determine the interest to be added to the capital secure amount in each bond version. The Growth Plus and Growth Versions offer 92% and 97% capital security respectively.

**SUITABILITY** | The Bond is not suitable for investors who require regular income or require access to their capital before maturity. The Bond is suitable only as a capital growth investment. The return on the Bond will depend on the Performance of the Fund and will only be determined at the end of the term. No withdrawals may be made before the maturity of the Bond on 29th March 2021. Your money is not invested in the Fund, therefore, you do not benefit from any dividends paid by the Fund, but you will benefit from the dividends and income earned within the Fund during the term of the Bond. In order to protect the performance of the Fund from volatility towards the end of the term, the Final Price will reflect the average price of the Fund on a monthly basis over the final 18 months of the 5 year Term. The effect of averaging is to protect returns in a falling market but conversely it may restrict growth in a rising market. A Performance Fee of 1% will be deducted if the Gross Return of a Bond Version is between 18% and 39.99% at maturity. If the Gross Return of a Bond Version is 40% or higher then a Performance Fee of 2% will be paid to BCP at maturity. The Bonds do not suffer exposure to foreign currency hence there will be no currency risk.

**CAPITAL SECURITY** | Capital security at maturity is provided by Bank of Ireland. In the event Bank of Ireland fails to meet its liabilities, you could lose some or all of your money. It is important to note that this investment is not covered by the Deposit Guarantee Scheme.

### WHERE DOES MY INVESTMENT IN THE BCP TARGET RETURN BOND GO?

The paragraph below displays how the investment is structured for a hypothetical €10,000 investor.

#### GROWTH PLUS VERSION

The Growth Plus Version provides 92% capital security by placing 87.1% or €8,710 of your investment amount on deposit. This amount will grow to 92% or €9,200 by the end of the 5 year Term. The Bond offers a return of 180% of the positive Performance of the underlying Fund, less the 8% capital at risk, less any Performance Fee. 10.53% or €1,053 of your investment amount will be used to purchase this return. If the Performance of the Fund is negative at the end of the 5 year Term, you will receive 92% of your capital invested. This payment represents a 8% (CAR -1.7%) loss on your investment over the period. BCP will receive a fee of 2.37% or €237 for manufacturing, distributing and administering the Bond, equivalent to 0.47% per annum. As described previously on page 4, a Performance Fee of 1% will be paid to BCP in addition to the fees above if the Gross Return on this version of the Bond is between 18% and 39.99% at maturity. If the Gross Return on this version of the Bond is 40% or more then a Performance Fee of 2% will be paid to BCP at maturity.

#### GROWTH VERSION

The Growth Version provides 97% capital security by placing 91.94% or €9,194 of your investment amount on deposit. This amount will grow to 97% or €97,000 by the end of the 5 year Term.

The Bond offers a return of 100% of the positive Performance of the underlying Fund, less the 3% capital at risk, less any Performance Fee. 5.85% or €585 of your investment amount will be used to purchase this return.

If the Performance of the Fund is negative at the end of the 5 year Term, you will receive 97% of your capital invested. This payment represents a 3% (CAR -0.6%) loss on your investment over the period.

BCP will receive a fee of 2.21% or €221 for manufacturing, distributing and administering the Bond, equivalent to 0.44% per annum. As described previously on page 4, a Performance Fee of 1% will be paid to BCP in addition to the fees above if the Gross Return on this version of the Bond is between 18% and 39.99% at maturity. If the Gross Return on this version of the Bond is 40% or more then a Performance Fee of 2% will be paid to BCP at maturity.

#### DO I HAVE ACCESS TO MY INVESTMENT?

No withdrawals may be made before the maturity of the Bond on 29th March

2021. You have the right to cancel your application for the Bonds within two weeks of the date you sign it but no later than the Closing Date.

All payments from the Bond will be paid to the trustees of the plan, or the investing Life Company, as appropriate to be added to your pension benefits.

#### WHAT HAPPENS IF I DIE BEFORE THE BOND MATURES?

Where an investment is made on behalf of a self-directed or self-administered pension plan, in the event of death of a member prior to the expiry of the Term, the Bond may be redeemed at its realisable value as determined by BCP based on a calculation by the Bank which may be more or less than the capital secure amount. The proceeds from such redemption will be paid to the trustees of the plan, or the investing Life Company as appropriate. Early redemption fees may apply in the event of an early exit.

#### WHAT ABOUT TAX?

This Bond is available to pension platform investors only. Pension platform investors are currently exempt from Deposit Interest Retention Tax. Investors should satisfy themselves in relation to the Revenue reporting requirements and the implications of non-disclosure where required.

## TERMS & CONDITIONS

### 1. DEFINITIONS

- 1.1 'you/your/investor' means the customer(s) who is/are investing funds in the BCP Target Return Bond – Growth Plus Version and/or the BCP Target Return Bond - Growth Version.
- 1.2 'the Bond', 'the Bonds' mean the BCP Target Return Bond – Growth Plus Version and/or the BCP Target Return Bond - Growth Version provided by BCP in accordance with these Terms and Conditions.
- 1.3 'the 5 year Term' means the duration of the investment which is placed in the 5 year Bond commencing on 29th March 2016 and maturing on 29th March 2021.
- 1.4 'Interest' means the interest calculated in accordance with Section 6 below.
- 1.5 'the Bank', 'Bank of Ireland' mean The Governor and Company of the Bank of Ireland and its successors, assigns and transferees.
- 1.6 'BCP' means BCP Asset Management Limited and its successors, assigns and transferees.
- 1.7 The 'Fund' means the Aviva Investors Multi-Strategy (AIMS) Target Return Fund. The Bloomberg code is AIMSAEU LX.
- 1.8 'Performance of the Fund' is defined in 6.2 below.
- 1.9 'Performance of the Bond Version' is defined in 6.3 below.
- 1.10 'Gross Return of the Bond Version' is defined in 6.4 below.
- 1.11 'Performance Fee' is defined in 6.5 below.

### 2. YOUR INVESTMENT

- 2.1 BCP will lodge your investment in the Bonds to a clearing account at the Bank. The funds will then be swept to a client asset account with the Bank in the name of BCP. You will receive a confirmation from the Bank of your investment in the Bonds.
- 2.2 At the end of the 5 year Term, on advice from BCP, the Bank will pay (1) 92% of the capital invested in the Growth Plus Version and/or (2) 97% of the capital invested in the Growth Version, together with any Interest earned on the capital invested.
- 2.3 Your money is not invested in the Fund, therefore, the investment does not benefit from any dividends paid by the Fund. However, any dividends received from equities, coupons received from bonds or interest from cash deposits are all included in the investment return for investors.

### 3. AVAILABILITY

- 3.1 The closing date for applications is 15th March 2016, or earlier if fully subscribed (the 'Closing Date').
- 3.2 The minimum investment is €20,000.
- 3.3 The Bond is available to individuals who are aged 18 or over wishing to invest their pension funds.

### 4. COOLING OFF PERIOD

You have the right to cancel this contract prior to the Closing Date of the Bond. If you wish to cancel, written notice must be received by BCP Asset Management Limited at 71 Upper Leeson Street, Dublin 4 within two weeks of your application but no later than 15th March 2016.

### 5. WITHDRAWALS

- 5.1 No withdrawals may be made from the Bond before the end of the 5 year Term.
- 5.2 Where an investment is made on behalf of a self directed or self administered pension plan, in the event of death of a member prior to the expiry of the 5 year Term, the Bond may be redeemed, subject to the terms of the rules of the underlying scheme or policy, at its realisable value as determined by BCP and the Bank which may be more or less than the capital secure amount. The proceeds from such redemption will be paid to the trustees of the plan, or the investing Life Company as appropriate.
- 5.3 Early redemption fees may apply on any early exit from this investment.

### 6. INTEREST

- 6.1 The Interest credited by the Bank to the 5 year deposit on maturity is calculated as the Performance of the Bond less the Performance Fee, and is calculated in accordance with 6.2, 6.3, 6.4 and 6.5. This Interest, if positive, will be added to the capital secure amount to calculate the final return.
- 6.2 Performance of the Fund is calculated as (Final Price – Initial Price) / Initial Price where (1) the Initial Price of the Fund is the closing level of the Fund on 22nd March 2016 or the next business day for the Fund; (2) the Final Price is the simple average of the Fund values taken at monthly intervals from and including 22nd September 2019 to 22nd March 2021.
- 6.3 Performance of the Bond Version is calculated as (Positive Performance of the Fund x Participation) where Participation for the Growth Plus Version is 180% and Participation for the Growth Version is 100%.
- 6.4 Gross Return of the Bond Version is calculated as (Performance of the Bond Version – Capital at Risk) where Capital at Risk is 8% for the Growth Plus Version and 3% for the Growth Version.
- 6.5 The Performance Fee is 1% where the Gross Return at maturity for that Bond Version is between 18% and 39.99% (i.e. the gross realisable value is between 118% and 139.99% of the capital invested). If the Gross Return of the Bond is 40% or higher then a Performance Fee of 2% will be paid to BCP at maturity (i.e. the gross realisable value is at least 140% of the capital invested).
- 6.6 If the Performance of the Fund is negative, at maturity you will receive 92% of the capital

- invested in the Growth Plus Version and 97% of the capital invested in the Growth Version.
- 6.7 Should any event occur during the Term which in BCP's absolute discretion constitutes a substantial change to the Fund, force majeure or hedging disruption, BCP shall be entitled to substitute the Fund with another Fund, to unwind the Bonds at the then current market value or to suspend operations of the Bonds during any period in which such event continues and thereafter until the end of the Term. On suspension, the Bank shall arrange for the investment accrued to be placed on deposit for the aforesaid period, on terms to be agreed between BCP and the Bank at their absolute discretion. BCP will notify the investors of the occurrence of any such event in such manner as BCP deem appropriate. Neither BCP, the Bank, nor their agent(s) shall be liable for any loss howsoever suffered by the investor if there is any total or partial failure of performance resulting from any such event or any other causes beyond the control of BCP, the Bank or their agent(s).
- 6.8 Should an adjustment event occur during the 5 year Term which affects the Fund or the value of any unit of the Fund including, without limitation: a split, consolidation or reclassification of the units, or a distribution in the form of dividends which does not comply with the usual dividend policy of the Fund, or any other similar event which in the opinion of BCP requires an adjustment, BCP shall be entitled, after consultation with the Bank and at its absolute discretion, to adjust any relevant terms of the Bonds to preserve the economic equivalent of your investment prior to the occurrence of such adjustment event.
- 6.9 No interest will be paid to you on your initial investment in relation to the period up to 29th March 2016.

### 7. MATURITY

BCP will contact you before the Bond matures to advise of repayment and reinvestment opportunities available at that time. At maturity on 29th March 2021 BCP will, following receipt of your instructions, arrange for the payment of maturity proceeds by electronic fund transfer amounting to the capital sum secured together with any Interest earned OR reinvest the proceeds as instructed. If for any reason Interest on the Bond cannot be determined by the maturity date, the capital sum secured and any Interest will be paid, 2 business days after the Interest can be determined. If you do not provide us with an instruction, matured funds will be held in a BCP client asset account. No interest will be paid to you on these maturity funds.

**TERMS & CONDITIONS****8. COMPLAINTS**

Any complaint about the sale of the Bonds should be made to your authorised intermediary via whom you invested. A complaint about any other aspect of the Bonds should be made to BCP. Any such complaints will be investigated in accordance with BCP's complaints policy, details of which are available from BCP.

If you are dissatisfied with the handling of your complaint or the response to it you may refer the issue to the Financial Services Ombudsman or the Pensions Ombudsman, as appropriate by contacting the relevant office.

**9. CONFIDENTIALITY**

BCP and the Bank observe a strict duty of confidentiality about your financial affairs. Save at your request or with your consent, neither BCP nor the Bank will disclose any details relating to your investment to anyone else other than in the following circumstances:

- to comply with a Court Order.
- to comply with a direction or request from a statutory or regulatory body entitled to such details.
- in accordance with any applicable legislation.

**10. DATA PROTECTION**

Both BCP and the Bank are registered under the Data Protection Acts 1988 and 2003 and your personal data held by BCP and the Bank will be

maintained in accordance with the obligations of the Acts and subsequent legislation.

**11. CANCELLATION**

If total funds received from investors at the Closing Date are deemed to be insufficient or if hedging conditions are adverse, BCP reserves the right not to proceed with the Bond issue and to repay investors.

**12. BOND OPERATION**

Neither BCP, the Bank nor their agent(s) will be liable for any loss you may suffer if BCP, the Bank or their agent(s) is prevented from providing any service as a result of industrial action, power failure or other cause beyond the reasonable control of BCP, the Bank or their agent(s). The Bank acts as deposit taker only and is not liable for the responsibilities of BCP to you in relation to the Bond, this brochure or for any other information provided to you by BCP. The Bank is not offering financial or tax advice to BCP or investors. It does not make any representation, express or implied, as to the investment terms or the performance of the Bond. Any such statements herein, as well as all other statements regarding the Bond, are the sole responsibility of BCP.

**13. VARIATION**

These Terms and Conditions may be changed if a decision, recommendation or change is made by a Court, Regulator, Ombudsman or by legislation.

BCP will notify you personally of any changes and will endeavour to give you at least 1 month's notice.

**14. CLIENT ASSET ACCOUNTS**

This product is deposit based and Bank of Ireland is the underlying deposit taker. Investors will receive confirmation of their investment from Bank of Ireland. On maturity, the proceeds of the investment, minus any applicable Performance Fee paid to BCP, will only be paid to investors. Client asset accounts contain funds which are pooled with other clients' funds. Investors have a claim against the client assets pool in a specific account. Funds are not afforded protection under the Client Asset Requirements until they are swept from the clearing account at the Bank into the BCP client asset account.

**15. GOVERNING LAW AND JURISDICTION**

These Terms and Conditions are governed by and shall be construed in accordance with the laws of Ireland. By signing the application form for the Bond, you agree that any dispute may be resolved by the courts of Ireland.

**16. CAPITAL SECURITY**

This product is deposit based and Bank of Ireland is the underlying deposit taker. Capital security is provided by Bank of Ireland. In the event Bank of Ireland fails or becomes insolvent (ie. goes bankrupt or similar) you could lose some or all of your money.



BCP Asset Management Limited

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